

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Performance Reporting System
	CORRESPONDENCE SYMBOL PROTECH
	DATE September 25, 2008

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-00, Change 2

TO: ALL STATE WORKFORCE ADMINISTRATORS
 ALL STATE WORKFORCE LIAISONS

FROM: BRENT R. ORRELL /s/
 Deputy Assistant Secretary

SUBJECT: Workforce Investment Act (WIA) Annual Report Narrative

1. Purpose. To provide additional guidelines to the states about the WIA Annual Report narrative and update procedures for submission of the report to the Employment and Training Administration (ETA).

2. References. The Workforce Investment Act of 1998 (WIA), sections 136 and 185; 20 CFR Part 667.300(d), (e)(1)(2); TEGL-14-00, and TEGL 14-00, Change 1, *Guidance on the Workforce Investment Act (WIA) Management Information and Reporting System*, TEGL 14-03 and TEGL 14-03, Change 1, *Performance Reporting Submission Procedures for the Workforce Investment Act Standardized Record Data (WIASRD), the Annual Report, and the Quarterly Reports under Title IB of the Workforce Investment Act (WIA) for Program Year (PY) 2003 and 2004*; TEGL 17-05 *Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues*; TEGL 13-06 and TEGL 13-06, Change 1, *Instructions for Workforce Investment Act and Wagner-Peyser Act State Planning and Waiver Requests for Years Three and Four of the Strategic Five-Year State Plan (Program Years 2007 and 2008)*; and OMB Circular No. A-94 *Revised Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*.

3. Background. Each state that receives an allotment under WIA section 127 (youth activities) or section 132 (adult and dislocated worker activities) of the Workforce Investment Act of 1998 must prepare and submit an Annual Report of performance progress to the Secretary in accordance with WIA sections 136 and 185.

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There are two components to the WIA Annual Report: (1) the required performance results, as specified in Form ETA 9091, the WIA Title 1B Annual Report (see TEGL 14-00, Change 1, Attachment G, and the revised ETA 9091 approved by the Office of Management and Budget (OMB) on 2/22/2006, OMB No. 1205-0420) at: <http://www.doleta.gov/performance/Guidance/WIA/WIA-Annual-Report-Specifications-Expires-02282009.doc>; and (2) a narrative report. This change to TEGL 14-00, focuses on the narrative report and what states are encouraged to address.

4. WIA Annual Report Narrative. For the narrative component, states are encouraged to develop an Annual Report that showcases their unique programs and recent accomplishments. Such a report can describe these accomplishments in the most advantageous manner to all stakeholders and partners, including Congress, Governors, state legislators and workforce investment boards (WIB). States may want to highlight “success stories” that focus attention on successful programming for participants, employers, and communities. Messages from the Governor or information about State WIB members, market analysis, strategies for improvement, and effects on major industries may also be included.

States may want to include information from their Strategic Plans that highlight innovative service delivery strategies, including program activities that support high growth/high demand industries, the outcomes expected, as well as the actual outcomes for their major customer segments. States may indicate actual Federal outlays for selected activities, if the information is available.

WIA sections 136(d)(1)and (2) and 185(d) outline information that must be included in the annual report narrative. Among these requirements is the status of state evaluation activities, the cost of workforce investment activities relative to the effect of the activities on the performance of participants, and the assurance that all required elements are reported uniformly so that a state by state comparison can be made.

Status of State Evaluation Activities:

States should also include information about evaluation studies, if any were conducted, of workforce investment activities as described in WIA section 136(e). The narrative should include:

- The questions the evaluation will/did address;
- A description of the evaluation’s methodology; and
- Information about the timing of feedback and deliverables.

These evaluation studies conducted under WIA title 1B are to promote, establish, and implement methods for continuous improvement in the efficiency and effectiveness of the statewide workforce investment system to improve employability for job seekers and competitiveness for employers.

Costs of Workforce Investment Activities:

States should explain how the mix of services for adults, dislocated workers, and youth activities affected the outcomes. For adults and dislocated workers, the activities that states may wish to address are core, intensive, and training services. For youth activities, states may wish to include information about front-end costs (e.g., intake, assessment and case management) and aggregated direct service costs for the ten youth program elements described in WIA section 129(c)(2).

In TEGL 14-00, Change 1, Attachment H, WIA Financial Statement and Guidance on Cost-Effectiveness Analysis: (<http://wdr.doleta.gov/directives/attach/TEGL14-00-ch1AttachH.pdf>), ETA provided states one example of how to address the cost of workforce activities relative to the effect of the activities on the performance of participants. Over the years, however ETA has observed a varying spectrum of methods for calculating and presenting cost-related activities and measures in the WIA State Annual Reports, often without definitions or explanations about how the results were calculated.

Among the most common cost calculations reported by the states is the “Cost per Participant” indicator. ETA recognizes that such an indicator may not fully demonstrate improved effectiveness, efficiencies, nor explain how the allocation of resources affected the outcomes. Further, moving towards implementation of indicators that demonstrate improved effectiveness and efficiency related to costs requires thoughtful planning, research, implementation, and review.

ETA is conducting a study to determine how costs and other measures of efficiency might be utilized to assess overall program effectiveness in the near future. To that end, the Attachment to this TEGL offers further examples of potential cost measures. ETA encourages states to include an explanation on what costs, allotments, obligations, or expenditures have been considered for cost measures in the narrative. States are also encouraged to discuss how the costs are calculated in terms of system measures, program measures, and the numbers of overall participants, exiters, or particular services received. This information may be displayed in charts or contained in a narrative with explanations on how the indicators are defined and results are calculated.

Additional Information:

In addition to the required components of the WIA Annual Report narrative, ETA encourages states to include the following information in its narrative:

- A. A discussion of how the state is using the waiver process to improve performance, including waivers approved, how the waiver has changed the activities of the state and local areas, and how activities carried out under the waivers have directly or indirectly affected state and local area performance.
- B. A discussion of the activities funded by the state’s discretionary (“15 percent”) funds. Table N of ETA 9091, requires states to provide the cost of state-wide activities, including mandatory and allowable state-wide activities. In this section

of the narrative report, states may describe activities undertaken--in whole or in part--with their discretionary funds, and how those activities directly or indirectly affect performance.

- C. A discussion of the initiatives and activities outlined in the WIA and Wagner-Peyser Act State Strategic Plan to improve performance.

TEGL 13-06, provided instructions to states for modifying their existing State Plans to extend the life of their Plans to cover two additional years, Program Years 2007 and 2008. In TEGL 13-06, ETA updated the section entitled “National Strategic Direction” of the Planning Guidance (Stand Alone and Unified) issued on April 12, 2005. The revised “National Strategic Direction” outlined the following priorities:

- Build a demand-driven system within a regional economic development context;
- Implement system reform, with streamlined governance and alignment of economic and workforce development regions;
- Enhance an integrated service delivery system that focuses on services rather than programs;
- Advance a vision for serving youth most in need;
- Expand the Workforce Information System as the foundation for strategic planning and career guidance;
- Strengthen partnerships with community and faith-based organizations;
- Increase the use of flexibility provisions in WIA to design innovative programs that fuel regional economic competitiveness and create employment opportunities for career seeker customers; and
- Utilize an integrated and enhanced performance accountability system.

In their Strategic State Plans, many states described initiatives that supported the Department’s strategic direction, some of which were in the preliminary stages. States may have progressed considerably in implementing such initiatives after submitting their State Plan. This section of the narrative may be used to describe state activities in the time periods between State Plans. States may provide an updated status of these initiatives and activities, including a discussion of how these initiatives have directly or indirectly affected performance. States may also use this portion of the narrative to describe activities or initiatives that began after the submission of the Strategic State Plan.

5. Due Date. The report is due no later than October 1, following each program year. For example, the report for Program Year (PY) 2007 will be due October 1, 2008. The Annual Report, which includes the required performance reports and the narrative, will reflect accurate performance outcome information that becomes available by the time the Annual Report for the program year is due. The failure to submit the performance progress reports by the deadline may lead to incentive grant ineligibility for a state.

6. Submission. An electronic copy of the WIA State Annual Report narrative is due to WIA.AR@dol.gov by October 1. States should also submit an electronic copy to their respective ETA Regional Administrator. ETA will publish each state's report on the Internet. Acceptable formats include WordPerfect, Microsoft Word, Acrobat, and other commonly used formats. In an effort to be more "green," hard copies of the report may be submitted, but are no longer required.

7. Action Required. Distribute this TEGL to those personnel responsible for developing the WIA Annual Report narrative, including personnel responsible for performance reporting, and to all local areas responsible for administering the WIA programs.

8. Inquiries. Questions concerning this TEGL should be directed to your appropriate Regional Office.

9. Attachment. Cost of Program Activities Relative to the Effect of Activities on Participant Performance.